

TEXAS APPRAISER LICENSING
AND CERTIFICATION BOARD

vs.

DOCKETED COMPLAINT NO. 05-074

TRAVIS HORTON
TX-1324582-R

AGREED FINAL ORDER

On this the 5th day of OCTOBER, 2007, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Travis Horton, (Respondent). The Board makes the following findings of fact and conclusions of law and enters this Order:

FINDINGS OF FACT

1. Respondent Travis Horton, a state certified residential real estate appraiser, holds certification number TX-1324582-R, and has been certified during all times material to the findings of fact and conclusions of law contained in this Order.
2. Respondent is subject to the jurisdiction of the Board, the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq. (the Act), the Rules of the Board, 22 TEX. ADMIN. CODE ' ' 153, 155, 157 (the Rules), and the Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal.
3. On or about June 6th, 2001 Respondent appraised the property located at 2710 Belmeade Drive, Carrollton, Dallas County, Texas ("the Belmeade property") for North Texas.
4. On February 7th, 2005, TALCB received a staff-initiated complaint against Respondent from Jeff Strawmyer, in accordance with TEX. OCC. CODE ' 1103.451. The complaint was based upon a referral from Dorothy Lim with the Post Closing Risk Management Division of Countrywide Home Loans ("Countrywide"). Countrywide alleged that Respondent's appraisal report on the property was inflated and contained various violations of the Uniform Standards of Professional Appraisal Practice.
5. On or about February 8th, 2005 the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. § 2001 et. seq., notified Respondent of the nature of the accusations involved and Respondent was afforded an opportunity to respond to the accusations alleged by the Complainant. Respondent's response was received.
6. The Enforcement Division concluded that the Respondent's appraisal report violated the Act, the Rules of the Board, and USPAP by the following acts or omissions:

- a) USPAP Standards 1-2(c) & 2-2(a)(v) & 2-2(b)(v) – Respondent failed to discuss the Belmeade property's exposure time in his report;
- b) USPAP Standards 1-2(f) & 2-2(b)(vii) – Respondent failed to report his scope of work (i.e. collecting, confirming and reporting data);
- c) USPAP Standards 1-3(b) & 2-2(b)(x) – Respondent failed to provide a brief summary of his rationale for his determination of the Belmeade property's highest and best use;
- d) USPAP Standards 1-4(b)(i) & 2-2(b)(ix) – Respondent failed to use an appropriate method or technique to develop an opinion of site value;
- e) USPAP Standards 1-4(b)(ii) & 2-2(b)(ix) – Respondent has failed to collect, verify, analyze and reconcile the cost new of improvements. There was no support for Respondent's determination of the improvements value and his cost per square foot figure was significantly higher than the figure provided by industry accepted data sources such as Marshall & Swift's Cost handbook;
- f) USPAP Standards 1-4(b)(iii) & 2-2(b)(ix) – Respondent failed to provide any support or explanation for his determination of the accrued depreciation which he applied in his report;
- g) USPAP Standards 1-1(a) & 1-4(a) – Respondent did not employ recognized methods and techniques correctly in his cost approach analysis for the reasons noted above;
- h) USPAP Standards 1-4(a) & 2-2(b)(ix) – Respondent failed to collect, verify, analyze and reconcile comparable sales data adequately. Respondent's work file contained no sales data and his report and work file lacked any support for his selection of sales all from outside of the defined neighborhood. Respondent used inappropriate comparable sales when more appropriate and readily available ones existed;
- i) USPAP Standards 1-1(a) & 1-4(a) – For the reasons noted above, Respondent did not employ recognized methods and techniques correctly in his sales comparison analysis;
- j) USPAP Standards 1-5(a) & 2-2(b)(ix) – Respondent failed to analyze the current agreement of sale and provided not commentary about it nor any materials in his work file indicative of that necessary analysis;
- k) USPAP Standards 1-5(b) & 2-2(b)(ix) – Respondent failed to disclose and analyze a prior sale of the Belmeade property for some \$65,000 less than his

appraised value only six months prior to the date of the report. This important information should have been discussed and analyzed in his report;

- l) USPAP Standard 1-1(a) – For the reasons noted above, Respondent did not employ recognized methods and techniques correctly to produce a credible appraisal report;
- m) USPAP Standard 1-1(b) – Respondent committed substantial errors of omission or commission that significantly impacted his appraisal report;
- n) USPAP Standard 1-1(c) – Respondent rendered appraisal services that were certainly careless or negligent for the reasons noted above;
- o) USPAP Standard 2-1(a) – For the above-mentioned reasons, Respondent did not set forth his appraisal report in a manner that will not be misleading; and,
- p) USPAP Standard 2-1(b) – Respondent's report does not contain sufficient information to enable the intended users of the appraisal to understand the report since no useful data or analysis was provided.

7. The Enforcement Division concluded that the Respondent violated 22 TEX. ADMIN. CODE ' ' 153.20(a)(3) and 155.1(a) by failing to conform to USPAP in effect at the time of the appraisal report for the Belmeade property.

CONCLUSIONS OF LAW

1. The Texas Appraiser Licensing and Certification Board has jurisdiction over these matters pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE ' ' 1103.451B1103.5535 (Vernon 2005).
2. Respondent violated the following USPAP provisions as prohibited by 22 TEX. ADMIN. CODE ' ' 153.20(a)(3) and 155.1(a): USPAP Supplemental Standards Rule and USPAP Standards Rules: 1-2(c) & 2-2(a)(v) & 2-2(b)(v); 1-2(f) & 2-2(b)(vii); 1-3(b) & 2-2(b)(x); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(ix); 1-4(b)(iii) & 2-2(b)(ix); 1-1(a) & 1-4(a); 1-4(a) & 2-2(b)(ix); 1-1(a) & 1-4(a); 1-5(a) & 2-2(b)(ix); 1-5(b) & 2-2(b)(ix); 1-1(a); 1-1(b); 1-1(c); 2-1(a) and, 2-1(b).

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that Respondent shall:

1. Pay to the Board an Administrative Penalty of \$2,500.00;
2. Attend and complete a minimum, 15 classroom-hour course in USPAP;
3. Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies; and,

4. Comply with all provisions of the Act, the Rules of the Board, and USPAP in the future, or be subjected to further disciplinary action.

Payment of the **ADMINISTRATIVE PENALTY** must be by certified funds, and must be completed within **TWENTY DAYS** of the date of this Agreed Final Order. Failure to pay the administrative penalty within the time allotted shall result in **IMMEDIATE SUSPENSION** of Respondent's certification pursuant to notice to Respondent from the Board indicating that Respondent has not paid the administrative penalty.

ALL CLASSES required by this Agreed Final Order must be classes approved by the Board and must be completed within **TWELVE MONTHS** of the date of this Order and documentation of attendance and successful completion of the educational requirements of this Order shall be delivered to the Board on or before the end of the twelve-month period indicated. None of the classes or seminars required by this Order may be taken through correspondence courses. All classes must be in-class, have an exam, and Respondent must have a passing grade on the exam given in each class. None of these required classes will count toward Respondent's continuing education requirements for certification.

Failure to complete the education required by this Agreed Final Order within the time allotted shall result in **IMMEDIATE SUSPENSION** of the Respondent's certification pursuant to notice to the Respondent from the Board indicating that the Respondent has not fulfilled the educational requirements of this Agreed Final Order.

ANY SUCH SUSPENSION SHALL BE EFFECTIVE WITHOUT THE NEED FOR A HEARING OR OTHER ADMINISTRATIVE DUE PROCESS UNDER THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT OR THE ADMINISTRATIVE PROCEDURE ACT, AND RESPONDENT SPECIFICALLY WAIVES ANY SUCH HEARING OR DUE PROCESS. Respondent shall be notified of any such suspension or lifting of probation by certified mail, return receipt requested, to the last known address as provided to the Board. If Respondent's certification is suspended on such a basis, the suspension shall remain in effect until such time as Respondent pays the Administrative Penalty or takes and passes the required educational courses and provides adequate documentation of same to the Board.

Respondent, by signing this Agreed Final Order, neither admits nor denies that the findings of fact and conclusions of law herein set forth are correct; however, Respondent consents to the entry of this Agreed Order to avoid the expense of litigation and to reach an expeditious resolution of this matter. Respondent also agrees to satisfactorily comply with the mandates of this Agreed Final Order in a timely manner.

Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing and any right to seek judicial review of this Agreed Final Order. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published in the Board's newsletter and/or on the Board's web site.

THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

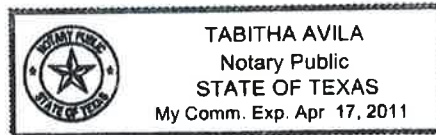
Signed this 15th day of AUGUST, 2007.

Travis Horton
TRAVIS HORTON

Michael W. Broome
MICHAEL W. BROOME
ATTORNEY FOR TRAVIS HORTON

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 15th day of August, 2007, by TRAVIS HORTON, to certify which, witness my hand and official seal.

Tabitha Avila
Notary Public Signature
Tabitha Avila
Notary Public's Printed Name



Signed by the Commissioner this 4th day of October, 2007.

Loretta DeHay
Loretta DeHay, Interim Commissioner
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 5 day of Oct, 2007.

Larry Kokel
Larry Kokel, Chairperson
Texas Appraiser Licensing and Certification Board